[Mr. Chairman] [2nd March 1959

Time and date for the withdrawal of nominations.	4 p.m. on 10th March 1959.
Poll, if necessary.	Between 11 a.m. and 1 p.m. on 18th March 1959.

Nonimation forms can be had from the Secretary to the Council.

3-30 p.m. III.—PRESENTATION OF THE BUDGET FOR THE YEAR 1959-60.

MR. CHAIRAN : The Hon. the Leader of the House will now present the Budget for the year 1959-60.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, it is my pleasant privilege to present to this House the Budget Estimates for 1959-60 and the Revised Estimates for the current year. The speech [a] of the Finance Minister in the Legislative Assembly has been circulaetd in the House. I hope hon. Members would have noted with satisfaction that the Budget does not contain any new proposal for taxation. Hear, hear).

The main feature of the Budget is that our revenue position has improved. We had a succession of revenue deficits from 1950-51 to 1956-57 amounting in all to about Rs. 32 crores. Year after year we had to impose additional taxes to meet the growing needs of the people and to reduce the revenue deficits to the extent practicable. While framing the current Plan, we had agreed to levy additional taxes to the extent of Rs. 13 crores. Actually the taxation imposed during the last three years may yield about Rs. 20 crores during the current Plan period. The yields from the older taxes such as the sales tax and the motor vehicles tax and entertainment tax are also showing an upward trend. Consequently, the Revenue Account of 1957-58 closed with a surplus of Rs. 341 lakhs and that of the current year is expected to close with a surplus of Rs. 265 lakhs. The Budget Estimates anticipate a surplus of Rs. 139 lakhs in the coming year, but this may be wiped off by the interim relief of Rs. 5 we recently gave to low-paid public servants. There may be further inroads into our resources when the recently constituted Pay Commission makes its recommendations; but, for the present, the Revenue Account seems satisfactorily balanced.

On the Capital side of the Budget also, we do not at present apprehend any serious difficulty. The Open Market Loan floated by the Government and the Electricity Board in the current year had a heartening response. The Madras Industrial Investment Corporation and the Co-operative Land Mortgage Bank were also able to raise their debentures successfully. The Small Savings drive in the districts is also meeting with fair success. If these favourable conditions prevail in the coming year, we may be able to meet our commitments in full and the Budget has been prepared on that assumption.

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[a] Printed as Appendix II on pages 23-119 infra.

2nd March 1959] [Sri R. Venkataraman]

The significant aspect of the Budget in a planned economy is the provision made therein for implementing the Plan. The Second Plan of Madras aggregated to Rs. 152 crores. We have spent Rs. 28 crores in 1956–57, Rs. 30 crores in 1957–58 and propose to spend Rs. 34·8 crores in the current year. The Budget provides for an outlay of Rs. 34·6 crores in the coming year. Thus, by the end of 1959–60, we would have spent Rs. 128 crores in all, which would leave only a balance of Rs. 24 crores for the final year of the Plan. We will, in due course, devise ways and means of stepping up the outlay of the final year to make full use of the administrative competence built up earlier, but for the present we may note with satisfaction that our Plan is progressing according to, and even a bit in advance of, the time schedule.

The Plan outlay of Rs. 34,64 lakhs in the coming year may be broken up into Rs. 980 lakhs on agricultural production, Rs. 972 lakhs on Social Services and Rs. 15,12 lakhs on Industries, Power, Communications and other permanent investments.

On the side of agriculture, the various grow-more-food schemes such as the Irrigation programme, both Major and Minor, multiplication of improved seeds, distribution of chemical fertilizers, manufacture of compost both urban and rural, installation of electric pumpsets for lift irrigation, sinking of new wells, etc., are being pushed through with vigour. A new shift is being given to the co-operative movement which in this State has so far specialised on the credit side. It is now proposed to organize multipurpose co-operative societies in villages to cater to the various agricultural needs of the cultivator on seeds, manures, agricultural implements, marketing facilities, etc.

On the side of social services, a significant development is the provision of Rs. 60 lakhs for the supply of midday meals for children in elementary schools. We may note with satisfaction the large measure of public co-operation forthcoming on the scheme and let us hope that we can extend it over the whole State in the near future. The Urban and Rural Water-supply Schemes are also making rapid progress and substantial provisions have been made for them in the Budget.

All our power schemes are progressing rapidly and may be completed in advance of the schedule. As against a provision of Rs. 53 crores for power schemes in the Plan period, we would have invested Rs. 52 crores by the end of 1959–60. The Periyar Project is almost complete and the first block of power will be released from the Kundah Project in the coming year. We continue to maintain our lead in rural electrification with about 8,000 villages electrified and 75,000 pumpsets connected by the end of the current year. We are also making appreciable progress on all the Housing Schemes as detailed by the Finance Minister in his speech. Special mention may be made of the fact that Slum Clearance Scheme of Madras City is being extended to the Municipalities of Salem, Madurai, Tiruchirappalli and Coimbatore.

[Sri R. Venkataraman] [2nd March 1959

In spite of many difficulties, we have on the whole made satisfactory progress on the Second Plan. The time has come when we should think of the size and shape of the Third Plan. The needs of the people are indeed many, but we have to reckon with the limitations in resources both internal and external. The administrative machine implementing the various schemes under the Plan is growing and gaining in experience. On the past performance and the present pace of growth, an expenditure of Rs. 40 crores in the final year of the current Plan is a reasonable expectation. The outlay in the first year of the New Plan should be larger but will have to be related to the actual performance of the previous year. It should be our endeavour to accelerate the pace further thereafter according to the resources we can find in successive years.

Hon. Members will undoubtedly have many useful suggestions to make on the subject and I shall be grateful to have them during the general discussion on the Budget.

Before I close, let me briefly refer to our assets and liabilities. The Public Debt of the State now stands at about Rs. 138 crores. As against this we have invested Rs. 88 crores on Power Projects and Rs. 48 crores on Irrigation Projects. We have also lent Rs. 37 crores to cultivators, local bodies and other public corporations. The book value of all our assets including buildings and other miscellaneous investments is about Rs. 190 crores, which is substantially in excess of the Public Debt. Besides, we have made adequate provision in the Revenue Budget for servicing the Public Debt. Hon. Members may note with satisfaction that we are increasing the contribution to the General Sinking Fund for debt redemption by Rs. 212 lakhs in the current year and Rs. 241 lakhs in the coming year. It is only prudent that we maintain these sound traditions, because we can effect rapid development only by larger borrowings from the people and it pays us to keep their confidence.

With these words, Sir, I present the Budget Estimates for the consideration of the House.

MR. CHAIRMAN : The House will now adjourn and meet again at 3 p.m. on Thursday, the 5th March 1959.

The House then adjourned.

IV.—PAPERS LAID ON THE TABLE OF THE HOUSE.

111. *Notification issued with G.O. Ms. No. 14, Home, dated 2nd January 1959, regarding exemption from payment of the tax leviable under the Madras Motor Vehicles Taxation Act, 1931 (Madras Act III of 1931) of the vehicle MSX 2456 belonging to the United Nations International Children's Emergency Fund and used for B.C.G. Vaccination Campaign in this State.*